W6	Learning Area	Entrepreneurship	Grade Level	11/12
	Quarter	4	Date	Week 6

IV. LEARNING PHASES AND LEARNING ACTIVITIES

I. Introduction (Time Frame: 5 minutes)

In your previous lesson, you learned about the business implementation and business proposal. By this time, you are already having a knowledge how to implement a business and presented your business proposal. That it should be unique and manageable business plan.

In this lesson you will understand how keep the business records and the importance of it. That it provides information to make it a decision and a target for its income and profits goals.

D. Development (Time Frame: 90 minutes)

A **business record** is a document (hardcopy or digital) that records business dealings. Business records include meeting minutes, memoranda, employment contracts, and accounting source documents.

Most business records have specified retention period based on legal requirements and/or internal company policies. This is important because in many countries and many documents may be required by law to be disclosed to government regulatory agencies or to the general public.

A business record includes the following:

- Meeting minutes
- Memoranda
- Employment contracts
- Accounting source documents

IMPORTANCE OF KEEPING RECORDS

1. **Monitor the progress of the business** – this is to closely monitor the progress of the business like its improvements, which items are selling, and changes to be made.
2. **Prepare the financial statements** – this includes the income statement and balance sheet.
   - *Income statement* shows the income and expenses of the business for given period of time.
   - *Balance sheet* shows the assets, liabilities, and equity in the business on a given date.
3. **Identify sources of income** – this information will help to separate business from non-business receipts and taxable from non-taxable.
4. **Keep track of the deductible expenses** – this will keep the record especially the expenses that will be greatly needed when preparing the tax return.
5. **Keep track as the basis in property** – this record serves as the basis amount of the investment in property for tax purposes.
6. **Prepare the tax returns –** preparing the income tax return.
7. **Support items reported on the tax returns -** usually keep the records for three years including the bills, credit card and other receipt, invoice, checks or any proof of payments to support deduction or credits claimed on the return.

http://bitly.ws/doaf

http://bitly.ws/doap

Financial forms/records usually have set of standards or reporting, and any differences are very minimal. Samples obtained from an existing similar project will definitely prove helpful for your design requirements. These are:

- *Account's receivables* – these are valuable not only to decision on extension of credits, but also to make accurate billing and maintenance of good relations with customer. These records will reveal how effective is your firm's credit and collection.
- *Inventory records* – these records will be used to control your inventory items.
- *Accounts payable* – these liability records show what your firm owes.
- *Sales records* – these could be used in the analysis of the effectiveness in advertising and promotions.
- *Production records* – these records provide a basis for your product costing and detect lost profits/costs as a result of idle manpower.
- *Payroll records* – show the total payments you pay your employees and provide a basis for computing some legal payments.
- *Cash records* – show all receipts and disbursements made by your firm.

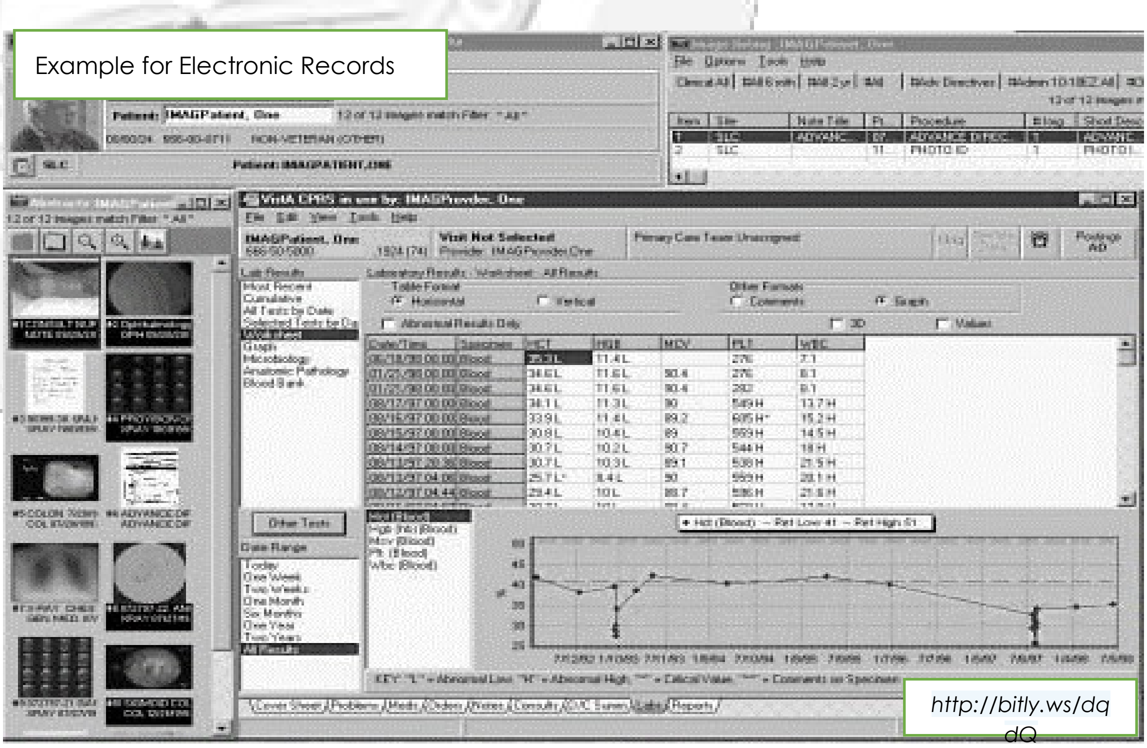
Duties and Responsibilities of Book keeper

- Recording transactions such as income and outgoings and posting them to various accounts.
- Processing payments
- Conducting daily banking activities
- Producing various financial reports
- Reconciling reports to third-party records such as bank statements.

Types of Record Keeping Systems

1. **Electronic records -** the stock records are stored electronically, it is important for the organization to develop its policies and procedures for information management and technology, including system maintenance, monitoring access and staff training. (Wild, 2004)

2. **Written records -** are common and cheap but at times difficult to read due to varying and unique handwriting. The other disadvantage is making duplicate copies for transmitting to other people or agencies. (Wild, 2004)



Example for Electronic Records

http://bitly.ws/dqdQ